

Organize Tax Records

Tax preparation time can be significantly reduced for taxpayers who develop a system for organizing their records and receipts. Start with the income deductions or tax credits that were on last year's return.

Don't Procrastinate

Resist the temptation to put off doing taxes until the last minute. Hurrying to meet the filing deadline may cause a taxpayer to overlook potential sources of tax savings and could increase the risk of making an error.

Visit the IRS Online

Taxpayers accessed the IRS Web site at www.irs.gov more than 3 billion times in 2003. Anyone with Internet access can download tax forms, instructions and publications as well as tax law information and answers to frequently asked tax questions.

Double-Check Math and Data Entries

Taxpayers should review their return for possible math errors and make sure the names and Social Security or other identification numbers for themselves, their spouse and dependents are correct and legible.

Request an Extension Time to File

If the clock runs out, taxpayers can get an automatic six-month extension of time to file, up to October 15. An extension of time to file is not an extension of time to pay, however. Taxpayers may send a paper Form 4868 to the IRS. Taxpayers can also apply for an extension by computer or by phone.

The extension itself does not give a taxpayer more time to pay any taxes due. The taxpayer will owe interest on any amount not paid by the April 17 deadline, plus a late payment penalty if at least 90 percent of the total tax due has not been paid by April 17.

The taxpayer may send a small installment payment with form 4868, to avoid owing interest fees.



Ways to Avoid Problems at Tax Time



Low Income Taxpayer Clinic

1725 Oakhurst Ave
Suite C
Jacksonville, FL 32208
Phone: (904) 394-7450
Fax: (904) 394-7459
Toll Free: 866-256-8091

Tax Tips

Use IRS Taxpayer Assistance Centers and Volunteer Programs

To obtain the location, dates and hours of the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly programs, call the IRS toll-free Tax Help Line for Individuals at 1-800-829-1040. The IRS Web site, www.irs.gov, also contains information on local IRS offices.

Free-Filing Option

The IRS has established a Free-File service by establishing alliances with private Tax software companies to offer free computer based electronic filing.

Taxpayers who prepare their own taxes and who until this year, have filed paper returns will benefit the most from Free File.

Electronic filing will allow these taxpayers to file quickly, and their refund should arrive within two to three weeks.



The IRS web site offers a complete listing of these companies and their criteria. Be sure to find which ones you qualify for before filing.

Watch Out for Hidden Fees

While you may qualify to have your federal return electronically filed for free, other services offered by the commercial filers may cost money. Companies may offer to professionally review your tax return or to fix problems that arise at a later date. Hidden costs are everywhere, so be alert and aware.

Beware of Costly Refund Anticipation Loans (RAL's)

If you agree to an RAL, you will receive the dollar amount due you by the IRS as soon as you file your tax return.

You should understand that RALs are *Not Refunds*. RALs are loans with interest. RALs always include interest and usually high fees. The amount of your refund will be reduced by these amounts.

You are also liable for the RAL (loan) even if your refund from the IRS is disallowed in whole or in part. This is because the RAL is a separate loan from a lender. It is not your refund.

"Fast Cash" and "Instant Money" Refunds

Terms like "fast cash" and "instant money" are usually RAL's rather than actual refunds.

To avoid the high fees and risks associated with "fast cash" loans, taxpayers should consider having the IRS deposit the money into their banking account through Free-File. This usually takes 9–14 days after filing.

If you have a bill that needs to be paid, try to ask for a three week extension until you get your tax return, rather than committing to an expensive Refund Anticipation Loan.

If You Owe Taxes, be Prepared to Pay When You E-file

Electronically filing your taxes does not eliminate your obligation to pay any taxes you owe on your return. Remember, your refund can be taken and applied through federal liens to other debts you may owe, including past taxes, student loans and child support.